

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

CRYSTALLEX INTERNATIONAL CORP.,)

Plaintiff,)

v.)

BOLIVARIAN REPUBLIC OF VENEZUELA,)

Defendant.)

Misc. No. 17-151-LPS

**SPECIAL MASTER'S MONTHLY REPORT
FOR THE PERIOD ENDED AUGUST 31, 2023**

Dated: September 25, 2023

ROBERT B. PINCUS in his capacity as
Special Master for the United States District Court for the District of Delaware
PO Box 4570
Wilmington, DE 19807

September 25, 2023

BY HAND DELIVERY & CM/ECF

The Honorable Leonard P. Stark
United States District Court for the District of Delaware
J. Caleb Boggs Federal Building
844 North King Street
Wilmington, DE 19801-3570

Re: *Crystallex International Corp. v. Bolivarian Republic of Venezuela*, D. Del. C.A. No. 1:17-mc-00151-LPS; Special Master's Status Report for the Period Ended August 31, 2023 (this "**Report**")

Dear Judge Stark:

By order dated April 13, 2021 [D.I. 258], Your Honor appointed me as Special Master in this case to design, oversee, and implement the sale of Petroleos de Venezuela, S.A.'s ("**PDVSA**") shares of PDV Holding Inc. On May 27, 2021, Your Honor issued the *Order Regarding Special Master* [D.I. 277] (the "**May 27 Order**")¹ setting forth, among other things, various obligations and duties applicable to the Special Master, the Parties, and ConocoPhillips (together with the Parties, the "**Sale Process Parties**"), including my obligation to provide the Court with a periodic status report concerning my progress and efforts. The last report that I submitted to the Court was for the period ended July 31, 2023 [D.I. 699] (the "**July 2023 Report**"). I hereby write to provide this Report for the period since the July 2023 Report through August 31, 2023.

Summary of Events Taking Place since July 31

Since July 31, I have undertaken the following actions, with the assistance of my advisors (collectively, the "**Advisors**"), in accordance with my duties and obligations set forth in the May 27 Order:

- Met and conferred with PDVSA and CITGO management team regarding minority shareholder rights and other protections pursuant to the Sale Procedures Order.

¹ All capitalized terms used but not otherwise defined herein, have the meanings ascribed to such terms in the May 27 Order and the Sixth Revised Proposed Order (A) Establishing Sale and Bidding Procedures, (B) Approving Special Master's Report and Recommendation Regarding Proposed Sale Procedures Order, (C) Affirming Retention of Evercore as Investment Banker by Special Master and (D) Regarding Related Matters [D.I. 481] (the "**Sale Procedures Order**").

The Honorable Leonard P. Stark

September 25, 2023

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- Carried out Your Honor’s directives under the Sale Procedures Order regarding the submission of creditor statements setting forth evidence of their judgments, as well as their applicable interest rate and fee calculations and, if applicable, evidence of their attachment efforts (the “***Attached Judgment Statements***”), including:
 - Preparing and filing a letter brief [D.I. 652] providing guidance to judgment holders regarding the form and substance of the Attached Judgment Statements; and
 - Reviewing and analyzing the submitted Attached Judgment Statements and accompanying documentation pursuant to Your Honor’s Oral Order dated August 8, 2023 [D.I. 653].
- Met and conferred with the Sale Process Parties and other parties in interest to submit a joint status report (the “***Joint Status Report***”) addressing the Step 5 (Writ) and Step 7 (Perfected Writ) deadlines, as well as the priority arrangement procedures for holders of judgments, pursuant to Your Honor’s *Memorandum Order Relating to Additional Judgments, Priority, and Transaction Expenses* entered on July 27, 2023 (“***July 27, 2023 Order***”) [D.I. 646].
- Prepared and filed the Joint Status Report with the Special Master’s recommendations as Your Honor directed in the July 27, 2023 Order [D.I. 693].
- Regularly engaged with PDVH and the CITGO management team on various Pre-Launch work streams in connection with Your Honor’s directives under the Sale Procedures Order and the *Memorandum Order Regarding Objections to the Special Master’s Recommendation* (the “***July 17, 2023 Order***”) [D.I. 643], including:
 - Meeting with CITGO management team on a weekly meeting to further diligence and preparation for the marketing process.
 - Reviewing due diligence materials provided by the CITGO management team and conducting related analysis.
- Prepared for and attended the August 31, 2023 *ex parte* meeting with Your Honor and provided notice of the same to all parties-in-interest in accordance with the *Memorandum Order* dated May 10, 2023 [D.I. 559] and the July 17, 2023 Order.
- Reviewed the initial pleadings and briefings filed in the Delaware Court of Chancery matter, *Petróleos de Venezuela, S.A v. PDV Holding, Inc.*, C.A. No. 2023-0778-PAF, and analyzed the same with the assistance of my Advisors.

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Statement of Fees and Expenses

The May 27 Order requires that I submit an Itemized Statement of my fees and expenses to the Court. During the period from August 1, 2023 to August 31, 2023, my Advisors and I have incurred an aggregate of \$740,230.09 of fees and expenses in connection with carrying out my duties as Special Master, as shown in the table below.

Special Master	\$28,785.00
Weil, Gotshal & Manges LLP	\$494,638.19
Evercore	\$206,000.06
Jenner & Block LLP	\$719.00
Potter Anderson & Corroon LLP	\$10,087.84
Total	\$740,230.09

This amount includes the monthly fees and expenses of counsel in connection with the matters described above and the monthly fees of my financial advisor, Evercore, for August, in connection with their assistance with the preparation for the Marketing Process, including the performance of due diligence and related analysis. The Itemized Statement, attached as Annex P hereto, contains a breakdown of such fees and expenses among my Advisors and myself. I respectfully request that Your Honor determine that such fees and expenses are regular and reasonable. A proposed form of order is enclosed for Your Honor's consideration.

I am available at the convenience of the Court, should Your Honor have any questions.

Respectfully Yours,

/s/ Robert B. Pincus

Robert B. Pincus, in my capacity as
Special Master for the United States
District Court for the District of
Delaware

Enclosures

cc: All Counsel of Record (via CM/ECF and E-Mail)

ANNEX P

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

CRYSTALLEX INTERNATIONAL CORP.,)	
)	
Plaintiff,)	
)	
v.)	Misc. No. 17-151-LPS
)	
BOLIVARIAN REPUBLIC OF VENEZUELA,)	
)	
Defendant.)	
)	

**ORDER APPROVING FEES AND EXPENSES
SUBMITTED BY SPECIAL MASTER**

Upon consideration of the itemized statement of fees and expenses submitted by the Court-appointed Special Master by letter dated September 25, 2023 (the “Itemized Statement”), and pursuant to the Court’s Order Regarding Special Master (D.I. 277),

IT IS HEREBY ORDERED this ____ day of _____, 2023, that:

1. The Court, having considered any objections or comments from the Sale Process Parties, finds the fees and expenses in the Itemized Statement are regular and reasonable, and the Itemized Statement is approved.
2. The Court hereby approves fees and expenses in the amount of \$740,230.09 for the period of August 1, 2023 to August 31, 2023.
3. Each of Crystallex, ConocoPhillips, and the Venezuela Parties shall make payment of one-third of the amount set forth in the Itemized Statement within 30 calendar days, pursuant to the terms set forth in the Order Regarding Special Master.

The Honorable Leonard P. Stark
Circuit Judge, United States Court of Appeals
for the Federal Circuit